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# *Annual Report 2003*

## *Board of Funeral Services*

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# Annual Report

## Board of Funeral Services

The Board of Funeral Services was established by the *Funeral Services Act* in 1976 to succeed the Board of Administration, which had a history dating back to 1914.

The current legislation, the *Funeral Directors and Establishments Act*, requires that the Board be composed of thirteen members, eight funeral directors and five public persons. All members are appointed by the Lieutenant-Governor-in-Council.

### MEMBERS OF THE BOARD OF FUNERAL SERVICES

	2003		2004	
Chair	Carl Compton*	Toronto	Rick Pedder	Toronto
Vice-Chair	Rick Pedder	Toronto	Kirk Elliott	North Bay
Executive Member	Kirk Elliott	North Bay	Carl Compton*	Toronto
	Scott Doney	Shelburne	Scott Doney	Shelburne
	Bruce Humphrey	Toronto	Karie Draper	Toronto
	Allan Lee	Harriston	William Kiteley	Sault Ste. Marie
	Donald Lizzotti*	Fort Erie	Donald Lizzotti*	Fort Erie
	Patrick McGarry	Ottawa	Patrick McGarry	Ottawa
	Thomas Preston*	Oakville	Thomas Preston*	Oakville
	Joe Salini	Thunder Bay	Donald Sanderson	London
	Wayne Smith	Peterborough	Wayne Smith	Peterborough
	Sarah Walker*	Sudbury	Sarah Walker*	Sudbury
	Victoria Vidal-Ribas*	Toronto	Victoria Vidal-Ribas*	Toronto

\*Denotes Public Member

### Board Staff

Registrar  
Joseph Richer

Manager, Inspections & Investigations  
René Brakel

Inspectors  
Randy Balon  
Michelle Crognale  
Ken Singh

Professional Competence Officer  
Des Mackel

AUDITOR  
Harris and Wright

Manager, Licensing & Administration  
Susan Beck

Coordinator Administrative Services  
Renée Toleck

Administrative Bookkeeper  
Marlen Weiler

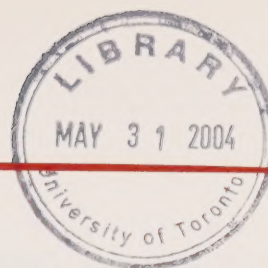
Bilingual Administrative Assistant  
Pierina Di Benedetto

LEGAL COUNSEL  
Steinecke Maciura LeBlanc  
Donald Posluns - Barrister & Solicitor





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ou communiquez avec le bureau du Conseil au 1-800-387-4458 ou (416) 979-5450.



# Our Mission

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The Mission of the Board of Funeral Services (the Board) is to regulate the provision of funeral services and transfer services in accordance with the *Funeral Directors and Establishments Act* (the 'Act') in order that the public interest may be served and protected.

## OUR CORPORATE GOALS AND VALUES

- ◆ Protecting the interests of the consumers of Ontario by establishing, implementing, and maintaining high standards of practice, professional expertise and ethics in the provision of funeral services and transfer services in accordance with the *Act*
- ◆ Supplying information to consumers about their rights
- ◆ Developing, implementing and evaluating an ongoing plan to effectively accomplish the goals and objectives of the Board
- ◆ Developing and implementing educational programs for funeral service and transfer service providers
- ◆ Consulting with stakeholders in order to ensure their needs and interests are identified
- ◆ Developing recommendations to the Government on legislation, regulation, policy and practices

The Minister of Consumer and Business Services retains responsibility for Ontario's consumer protection legislation and regulations and oversees the quality of services provided by the Board.



# *Maintaining our Focus, While Managing Change*

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In last year's Annual Report my predecessor, Dr. William Steadman, said that the Board's challenge was "Maintaining our Focus", as the Board navigated the uncertainty of the times. The uncertainty to which he was referring was of course – and continues to be – the dramatic changes to the bereavement sector arising from new and pending legislation the *Funeral, Burial and Cremation Services Act, 2002*.

Dr. Steadman was absolutely right. The changes arising from legislative reform of this magnitude will be significant, and the Board must not only manage the change process on behalf of consumers and licensees, but it must also maintain its focus on the protection of consumers and the professionalism of licensees through the effective day-to-day administration of the current statute, the *Funeral Directors and Establishments Act*.

While the new statute received Royal Assent in December of 2002, it will not come into effect until proclaimed and that will not happen until the Regulations under the Act are drafted and passed. In the meantime, licensees must continue to operate in accordance with the current statute.

Although impending change continues to dominate the horizon, causing a degree of uncertainty, there is one abiding constant that the Board and the citizens of Ontario can continue to count upon – the professionalism of our licensees and their uncompromising dedication to providing the highest level of service to communities across Ontario.

It has been an honour to serve on this Board for the past four years, this last year in the capacity as Chair. Prior to my appointment as a public member of the Board, I confess I knew very little about funeral services. My qualifications for an appointment to this Board came from a 20-year career in public service, primarily in the area of consumer protection.

My years on the Board have given me the opportunity to work closely with many members of this profession. I have come to fully appreciate the unique and important services that funeral directors provide in their communities across the province, and how these services are delivered with compassion, dignity and pride.

As well, my years on the Board have provided me with the opportunity to observe the functioning of the staff of the Board in the delivery of effective programs to ensure that licensees meet high levels of professionalism and competence and that consumers are informed and protected. Be assured that Ontario's consumers and members of the profession enjoy the efforts of a team of highly motivated and dedicated people.

*Carl Compton*  
**Chair**





# *Effective Consumer Protection is Our Focus*

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The year kicked off with the introduction of the *Funeral, Burial and Cremation Services Act, 2002* (FBCSA). The FBCSA received Royal Assent in December 2002. The Ministry of Consumer and Business Services has begun to develop regulations under the FBCSA and will deliver them to stakeholders in due course. The process will involve significant resources and will take time.

As 2004 unfolds, we will begin to see the first cluster of the regulations and look forward to our involvement in the regulation development process. The Board will ensure that it dedicates sufficient resources to provide meaningful input to the drafts to ensure consumers of Ontario are afforded the highest level of protection.

The release of the *Competency Profile for the Ontario Funeral Director* was a huge achievement for the Board and the profession as a whole. The profile will form the basis for all programs of instruction, including future professional development initiatives and training plans for aspiring funeral directors.

Unfortunately, early in the year, the profession had to turn its attention to SARS, which took a strong hold in Ontario in March 2003. The Board worked with Ministry of Health Officials and professional associations to produce four information pieces to assist licensees to deal with the infectious disease.

For their part, licensees stepped up and demonstrated their professionalism in handling both the families whose loved ones were infected with the disease and the health and safety of their own staff. SARS was a reminder of the reality that licensees live with every day and gave them the opportunity to re-examine their own general practices and, in particular, the implementation of Universal Precautions on a daily basis.

In light of recent events in the business world, the Board created an Audit, Finance and Risk Committee to ensure proper governance and oversight of the Board's operations. The Board has given the Committee a clear mandate and it will begin its work in earnest in 2004.

The Board is in the midst of reviewing its procedures wherever possible to ensure that it is carrying out its mandate in line with the best practices of Ontario's other Delegated Administrative Authorities.

The introduction of a risk-based scheduling program for inspections will also allow us to place more focus on licensees who have demonstrated lower levels of compliance, particularly in those areas that affect consumers directly.

The Board is dedicated to a strong regulatory regime that balances enforcement and licensee education to achieve high levels of compliance. The inspection team is encountering high levels of compliance and less resistance to inspections. In surveys, licensees have expressed their support for the inspection program and the efforts the inspection team has made to minimize the intrusions to their daily operations during inspections. Licensees have also expressed their appreciation for the openness of the inspectors to assist where assistance is requested.

We look forward to working with the government to develop strong laws that will strike a balance between consumer protection and a level playing field for all licensees.

The Board members and staff continue to demonstrate their dedication to the consumers of Ontario and should be commended for their efforts. On behalf of the Board and staff, I would like to thank Carl Compton for his leadership and commitment as Chair in 2003.

*Joseph Richer*  
**Registrar**





# 2003 Achievements

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As part of its business planning process, the Board clearly articulated the priorities and goals for 2003. The Board identified that in order to carry out its mandate and achieve its vision, it must focus on four “Strategic Outcomes”:

- ◆ Maintaining High Levels of Consumer Protection
- ◆ Advancing Service Excellence Through Professional Development
- ◆ Increasing Public Awareness
- ◆ Managing Uncertainty

Each of these Strategic Outcomes drives the Board’s activities for the year and provides a framework for setting annual targets. A report card was developed by the Board to measure its performance against its 2003 targets. Highlighted below are some key achievements this year.

## *Strategic Outcome 1 - Maintaining High Levels of Consumer Protection*

Maintaining high levels of consumer protection requires the Board to continue to efficiently carry out site inspections and ensure high levels of compliance to standards. In addition, it must handle consumer enquiries, concerns and complaints in an effective and timely manner. Effective management of the Compensation Fund is important for continuing to provide financial protection for consumers in the event of the mishandling of trust monies.

### *Inspections Keep in Step*

The Board exceeded its goal of 200 inspections, with the oldest inspection having been done in April 2000.

### *Complaint Process Continues to Improve*

The Board continues to mediate complaints and has maintained its 25% mediation level. In addition, matters are handled promptly - on average a decision is made within 69 days of the receipt of the complaint.

### *Risk-Based Scheduling in Place for Future Inspections*

The Board completed Phase II of its risk-based inspection scheduling program. The inspection staff has begun scheduling inspections based on the level of compliance demonstrated by licensees, and also taking into account related factors such as complaints and reports of the public accountant.

### *Healthy Compensation Fund*

The Board continues to fulfill claims promptly and to maintain a healthy balance and a diversified portfolio.

## *Strategic Outcome 2 - Advancing Service Excellence Through Professional Development*

The Board believes that consumer protection is best provided when supported by a professional development program that continuously raises industry professionalism and education. The Board has recently reviewed funeral service education in Ontario and has developed an implementation plan based for the recommendations in the report.

### *Funeral Service Education Review Implementation Plan In High Gear*

With tremendous assistance from the internship Implementation Committee, the Board launched the Preceptor Training Program in 2003. The program was offered in Toronto and Thunder Bay, and received very positive reviews.



## *Professional Development 2003 a Success*

Successful Professional Development programmes were delivered in Toronto and Thunder Bay.

## *Proactive Communications With the Profession*

The Board published three newsletters and released the *Competency Profile for the Ontario Funeral Director*. It also released several bulletins relating to SARS and general health and safety issues to assist licensees during a particularly troublesome time.

## *Active Participation in the Bereavement Sector Advisory Committee (BSAC)*

The *Funeral, Burial and Cremation Services Act, 2002* received Royal Assent in December 2002 and the Board made several submissions to the Ministry of Consumer and Business Services in respect of the draft legislation.

## *Strategic Outcome 3 - Increasing Public Awareness*

The Board of Funeral Services believes that increased public awareness and education will ultimately lead to increased levels of consumer protection. Increasing the profile of the Board and educating consumers about the need to deal with duly licensed funeral establishments or transfer services will continue to be key areas of focus.

### *Public Awareness on the Rise*

The Board committed to both print and radio advertisements in 2003. The Board also began developing a new consumer information piece.

### *Consumer Access to the Board Made Easier*

To facilitate consumer access to the Board, the Board's contact information has been added to every business licence issued in 2003. The business licences must be posted near the main entrance of the business to which it relates.

### *Web Site Enhancements Improve Communications*

The Board continues to look at ways to improve its web site for consumers and the profession. Recommendations from consumers and profession are being reviewed and wherever possible recommendations are being implemented. It is anticipated that early in 2004 a directory of service providers will be available on the Board's site.

## *Strategic Outcome 4 - Managing Uncertainty*

Given the enormous amount of uncertainty that arose from the recommendations of the review of the seven Delegated Administrative Authorities and more specifically, the anticipated legislative reform for the bereavement sector, the Board strongly believes that the key to its ongoing success will be maintaining a focus on its mandate and operational delivery. The Board is periodically revisiting and if necessary, adjusting its goals to ensure that it is on track in achieving its Strategic Outcomes. The Board is also committed to maintaining ongoing communications with staff and the profession at large.

### *No Loss of Focus on Current Mandate and Operational Delivery*

The goal of the Board was to maintain numbers of inspections and quality of service. In 2003 the Board inspection staff exceeded the 2002 goal of 200 inspections.

### *Board Accountability Strengthened*

The Board created an Audit, Finance and Risk Committee to ensure that best practices with respect to governance are in place within the Board.

### *Ongoing Communication with the Profession*

The Board kept the profession informed of ongoing initiatives through regular newsletters and bulletins.



# Board Committee Updates

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The Board of Funeral Services has established eight Committees or Teams, which together enable the Board to carry out its mandate and strive towards achieving the Strategic Outcomes of its business plan:

- |                               |  |
|-------------------------------|--|
| ◆ Complaints Committee        | ◆ Inspection Team                                  |
| ◆ Discipline Committee        | ◆ Licensing and Administration                     |
| ◆ Licensing Committee         | ◆ Education Review Implementation Committee        |
| ◆ Compensation Fund Committee | ◆ Communications and Long Range Planning Committee |

While the activities of each Committee may contribute more directly to one or two specific Strategic Outcomes in our Annual Business Plan, it is the combined efforts and cooperation of the Committees and the Board that has enabled the organization to achieve its greatest success. The following are the reports of each Committee's findings, activities and accomplishments in 2003.

## COMPLAINTS COMMITTEE

### *Mandate*

The mandate of the Complaints Committee is to consider and adjudicate consumer complaints regarding the conduct of any licensee.

### *Complaint Summary*

The Board of Funeral Services received twenty complaints between November 1, 2002 and October 31, 2003. Of these, seventeen were dealt with in 2003 and three will be carried forward into fiscal year 2004.

Of the twenty complaints reviewed by the Committee this year, (3 from 2002 and 17 from 2003) the following is a breakdown of their dispositions:

In favour of licensee	5
In favour of complainant	8
Mediated by Board Staff	5
Referred to Discipline	2

Although either party in the complaints process may appeal the decision and recommendations of the Complaints Committee to the Licence Appeal Tribunal ("LAT"), no appeals were made this year.

When complaints are received from licensees, the Committee reminds the parties that the complaints process should not be used as a forum to resolve their business disputes. While this has been an area of concern in the past, in 2003, there was only one complaint from one funeral director against another.

### *Resolved Disputes*

The Committee is pleased that the staff was able to resolve 25% of the complaints received. The Committee reviews every resolution to ensure that it is appropriate given the circumstances. The Committee was satisfied with all of the resolutions presented. The resolutions resulted in the consumers receiving refunds or price reductions for a total value of \$3,439.00.

### *High Level Of Service*

Some time ago, the Committee set a target of 90 days in which it would either make a decision about a complaint or to resolve the matter through mediation. This year, the average turnaround time was 69 days. The Committee is very proud of this significant accomplishment.

### *Concerns About Type of Complaints*

The Committee is concerned about a number of complaints against funeral directors when there has been a dispute among family members as to who has the right to make funeral arrangements. In these cases, the Committee reminded licensees of their obligation to deal with the correct person.

### *Learning From Complaints*

The Committee often uses the Board's newsletter as an educational tool to advise licensees of issues that result in complaints. In 2003, the Committee published two articles entitled "Guarantee Your Prepaid Contracts? A Few Things to Remember" and "From whom do I take direction?" As the title suggests, the first was a reminder for licensees to ensure their guarantees were properly outlined in their contracts. In the second article, the Committee provided information to licensees to assist them in determining who has the legal authority to make the arrangements according to existing laws in Ontario.

The number of complaints continues to be below the yearly average and is very low relative to the number of deaths recorded annually. The consumers of Ontario are well served by the licensees who are well-versed in statutory and regulatory requirements and continue to demonstrate a professional level of service. The Board is committed to increasing public awareness through public advisories, its web site and information packages made available to the public. The Board responded to 42 consumer requests for information, including 19 requests for complaint forms.

The Complaints Committee is pleased that Ontario's consumers who are in need of funeral services are being cared for in a professional manner.

*Allan Lee*

**Chair**



## DISCIPLINE COMMITTEE

### *Mandate*

The mandate of the Discipline Committee of the Board of Funeral Services is to hear cases involving allegations of professional misconduct against licensed funeral directors following established procedures. Cases may be referred to the Discipline Committee by the Complaints Committee, the Executive Committee, and the Board itself.

The Board of Funeral Services is represented by legal counsel and the funeral director has the right to be represented by legal counsel. The Discipline Committee is also advised by independent legal counsel. Decisions rendered by the Discipline Committee can be appealed to the Licence Appeal Tribunal ("LAT"), a body independent from the Board.

The decisions of the Discipline Committee are published in the Board's newsletter, and occasionally the Committee publishes articles intended to assist licensees in avoiding conduct that can lead to disciplinary action.

### *Cases Heard in 2003*

In 2003, the Discipline Committee heard only one case, but it involved three funeral directors. Two other matters that were referred to the Committee in 2003 will be heard in 2004.

The three funeral directors pleaded guilty to the allegations. All three were found guilty of professional misconduct for failing to refund excess funds after prepaid funeral contracts were fulfilled upon the death of the beneficiary.

Two of the funeral directors also pleaded guilty and were found guilty of failing to place monies for prepaid contracts into trust in accordance with the *Funeral Directors and Establishments Act* (the "Act") on a number of occasions. They also pleaded guilty and were found guilty of failing to supply the consumer with a copy of an investment receipt in accordance with the Act and failing to make out the required documentation for prepaid contracts.

The Discipline Committee ordered the following penalties, which were in line with the joint submissions made by the parties and representative of their respective roles and responsibilities in the misconduct. One funeral director's licence was suspended for twelve months and the funeral director was reprimanded. The funeral director was also ordered to pay a fine of \$2,000. The second funeral director's licence was suspended for a period of ten months and the funeral director was reprimanded. The funeral director was ordered to pay a fine of \$1,000. The third funeral director's licence was suspended for a period of one month and the funeral director was reprimanded. The funeral director was ordered to pay a fine of \$1,000.

All three funeral directors were ordered to attend Professional Development 2004 and will have restrictions placed on their licences once they are restored. The restrictions will include, among others, a prohibition on supervising students and managing a location and will remain for various periods of time.

All fines that are ordered by the Discipline Committee are paid into the Province's Consolidated Revenue Fund.

### *Related Matters*

On May 22 and July 15, 2003, respectively, two funeral directors resigned their funeral director's licences and undertook to never reapply for a licence as a result of having accepted monies under prepaid contracts and failing to place the funds into trust. One of the funeral directors has agreed to repay the misappropriated funds over a period of time.

*Joseph Salini*  
Chair



## LICENSING COMMITTEE

### *Mandate*

The Licensing Committee is composed of three members of the Board, at least one of whom is a public member, and is an extremely active Committee. The members are committed to continually improving the licensing process and the education of funeral directors in the Province. The Committee considers all matters that are referred to it by the Registrar regarding the eligibility of applicants for licences or licence renewals. The Committee also considers any other matters related to licensing such as examinations, internship programs and professional development. In addition to its regular responsibilities, the Committee continues to focus on plans for the future. Over the past year, the Committee met at least monthly and dealt with a number of important issues, which are detailed below.

### *Professional Competency Profile*

In June 2003, the Professional Competency Profile for the Ontario Funeral Director was distributed to Ontario licensees, as well as to the professions' regulators and associations across Canada. The Competency Profile provides the basis for the curriculum of funeral service education in Ontario, including professional development for funeral directors. In order to make educational programming meaningful and relevant, everything that funeral directors are taught must relate to the Competency Profile. The document is also being used as the foundation for the Education Review Implementation Committee's work and we hope it will be of assistance in developing a national profile.

### *FSE Accreditation*

The Committee continues to support the Funeral Service Education Program offered at Humber Institute of Technology and Advanced Learning (formerly known as Humber College) in its endeavor to become accredited by the American Board of Funeral Service Education (ABFSE). The program submitted its Self-Study Report in April and was prepared to receive the ABFSE Evaluation Committee in November 2003. The decision of the ABFSE will be released in April 2004.

### *Professional Development Program*

Quality professional development programming is a priority for the Committee and it is proud to report that the two programs run this year were very well received, as indicated by participant surveys. Professional Development 2003 Toronto was held in April with 354 licensees, 4 students and 1 Humber instructor attending the 1 1/2 day program.

Immediately following Professional Development 2003 in Toronto, the Committee successfully delivered the inaugural Preceptor Training Program, which was attended by 27 licensees.

Professional Development 2003 Thunder Bay was held in September (every 5 years the Board takes the program to Thunder Bay) – 15 licensees attended the 1 1/2 day program. A second successful Preceptor Training Program was also held in Thunder Bay and was attended by 14 licensees.

The Committee continues to try to meet the needs of licensees, by addressing the recommendations that participants make in surveys and program evaluations.

### *Practical Examiners Training Session*

The Committee held an enhanced Training Session for Practical Examiners in April 2003. The foundation of the presentation was the Practical Examiner's Handbook that was distributed last year. The handbook was developed to ensure uniformity of examinations, the maintenance of embalming standards and to help examiners more objectively assess the ability of candidates to embalm.

### *Licensing Examinations*

Licensing exams are continually reviewed and updated to reflect the ongoing changes in the profession. The Committee was pleased to present awards to Jacqueline Shambleau of Humber College and Jean-Guy Blanchet of Collège Boréal for achieving the highest marks on the Licensing exams for their respective programs.

Members of the Licensing Committee, the Manager of Licensing and Administration, the Registrar, the Coordinator of Administrative Services and the Professional Competence Officer are to be applauded for their commitment, effort and perseverance with respect to the issues that the Committee undertook this year. The Committee also very much appreciated the support of the Board members and the rest of the Board staff.

*Patrick McGarry*

Chair



## COMPENSATION FUND COMMITTEE

### *Mandate*

The Compensation Fund Committee administers the affairs of the Prepaid Funeral Services Compensation Fund, which provides compensation to consumers when prepayment funds are mishandled. In all cases, claimants must support their claims to the Committee with sufficient documentation.

### *Claims Paid*

In 2003, the Committee approved two claims. One claim was carried forward from 2002 in respect of a funeral home whose licence was revoked. The claim is the last of several claims filed in 2002, in respect of this operator. The other claim arose from an incident where the licensee had inadvertently failed to re-invest money in accordance with the legislative requirements. The funeral home, now under new ownership, fulfilled the contract and the Compensation Fund compensated the estate for only the surplus that would have accrued had the monies been invested properly. The total of the claims was valued at approximately \$9,400.

### *Managing The Fund*

During the year, the Committee reviewed the fund finances with the Trustee to ensure the fund is sufficiently diversified and secured. The Committee also reviewed the trust agreement and schedule of fees. At the year-end, the fund was valued at approximately \$1.7 Million.

The Committee would like to thank the members of the staff for their excellent work, and the Board for its support.

*Thomas (Tom) Preston*

**Chair**



## THE INSPECTION TEAM

### *Inspections as an Educational Tool*

The inspection team uses the inspection process as an educational tool to assist the Board in fulfilling its mandate. The balanced approach of using both enforcement and education to achieve high levels of compliance has been well received by licensees.

The inspection team continues to make changes to its processes by considering and balancing the needs of consumers and the needs of licensees. The team keeps current about consumers' needs through inquiries and complaints, and licensees' needs through surveys and discussions.

### *Introduction to Risk-Based Scheduling*

The inspection team introduced a newly developed risk-based inspection scheduling program in 2003. The program allows the team to make the most effective use of its resources by focusing on those licensees who demonstrate lower levels of compliance and acknowledging those who have a proven record of high compliance. In addition to the manager of the operation being inspected, the new initiative will also involve the licensed operator, thereby allowing the licensed operator to implement, where applicable, necessary changes to its other locations.

The inspection team also identified and reviewed non-compliance issues, assessing each on the basis of frequency and risk to the public. It then identified methods of reducing the frequency and thereby the risk to the public. The team will implement, wherever possible, initiatives to achieve these goals.

While the effects of risk-based inspections will be difficult to measure and may not be seen for sometime, the team is committed to regularly assessing these and other issues it may identify.

### *Education Through Presentations and Newsletters*

The inspection team contributed to licensee education through its seminar, "Compliance in a Changing Environment", which was delivered at Professional Development 2003. The session provided licensees with a broad overview of regulatory obligations and provided a forum for licensees to ask questions and discuss issues with the inspection team and their peers. The program was attended by over 200 licensees and was very well received.

The team also contributed articles to all of the Board's Newsletters. Based on the positive feedback received, the team plans to continue to provide relevant material to assist the profession in the future. The members of the team will continue to attend association meetings, which allows them the opportunity to consult with the stakeholders in a less formal environment.

### *Inspection Details for 2003*

The inspection team surpassed its goal of 200 inspections for 2003. The team also ensured the refunding of over \$36,000 owing to consumers. The following is a breakdown of the inspection data for 2003.

<b>Inspections (total)</b>	226
<b>Routine</b>	206
<b>New Premises or New Ownership</b>	14
<b>Premises Closed</b>	6
<b>Refunds to consumers</b>	\$36,372

The inspection letters to licensees have been revised to cite the relevant sections of the legislation for the licensee's ease of reference. The changes clearly set out that which is expected of the licensee.



## *Investigations*

During 2003, 20 investigations were conducted and of those 17 were closed. The investigations involved a variety of issues: including the misappropriation of prepaid funds, licensees following improper procedures, improper advertising and unlicensed persons providing funeral services.

In some cases, these investigations determined that the allegations were unfounded. In others, caution letters were sent to the parties, and in two cases the funeral directors voluntarily resigned their licences, rather than face disciplinary hearings.

## *Observations About Overall Compliance*

While a slightly higher number of non-compliance items were reported in 2003 inspections (7.3 in 2002 compared to 8.9 in 2003), the increase is attributed to more detailed reviews of contracts and price lists. The team focused on these documents to ensure that they are as consumer friendly as possible. The team stressed the importance of consistency of terminology in all documents. Generally, the items that arose in inspections were of a minor nature and were often readily remedied by licensees.

The documentation that the inspection team reviewed showed that consumers are receiving accurate information, which will result in consumers being better informed.

## *Commitment to Service, Responding to Stakeholder Needs*

The team's commitment to service is exhibited by the reduction in the average time that it takes to deliver inspection letters to licensees after an inspection. The time has been reduced from 8 days in 2002 to just over 7 in 2003.

Based on information collected in a 2002 survey, the team has affected changes to its practices that will allow it to provide better service to licensees without compromising consumer protection. The team responded to licensee suggestions by committing to follow up on licensee inquiries within two business days. The team also considered ways and circumstances under which it could announce inspections without compromising consumer protection. In cases where licensees have demonstrated very high levels of compliance, particularly in areas that affect consumers directly, the inspector will have the discretion of announcing the inspection prior to her or his arrival.

Every licensee inspected in 2003 was surveyed about the inspection program. The inspection team will review the results (data) and make every effort to address the comments and recommendations. The team welcomes the feedback and believes licensees greatly appreciate the opportunity to provide input about the system. This is further demonstrated by the high response rate (80%) over the past three years.

The inspection team believes that its balanced approach and the openness and transparency of the inspection program have contributed significantly to an improved relationship with licensees. This approach has also resulted in higher levels of compliance, which benefit the consumers of Ontario.

## *What's in Store for Next Year*

Regulations are currently being drafted for the new *Funeral, Burial and Cremation Services Act, 2002*. The inspection team anticipates a busy 2004 as it prepares to educate licensees and the public about changes created by the new legislation.

The inspection team is committed responding to licensee comments and concerns, while protecting the public interest.

*René Brakel*

**Manager, Inspections & Investigations**

## LICENSING AND ADMINISTRATION TEAM

The team is very professional as the first point of contact and provides administrative support to the Board and staff in day-to-day operations. The team also processes licences and works diligently to coordinate professional development programming for licensees and many other projects.

### *Licensing / Registration*

For the second year in a row, the team met its target of processing approximately 3,000 licences (both personal and establishment) within 30 days of the application deadline. We continue to make necessary adjustments to the licensing procedure to ensure that it is effective and efficient. In 2003, the team took, on average, 7 days to process a renewal of a funeral director's licence.

The team put together a list of Frequently Asked Questions and common errors on licence applications to assist licensees and to reduce the number of errors. In the case of the establishments, a checklist was sent with the 2004 renewal forms to assist those completing the forms. The team will continue to track the common errors and identify ways to reduce such occurrences.

### STATISTICS FOR 2002/2003

#### Registrations and licences issued in 2003 #

Funeral directors	
Active	1813
Inactive	683
Conditional	18
Resigned	2
Revoked	0
Suspended	4
Emeritus	47
Re-instated	6
Registered Transfer Service Operators	5
Labour Mobility Transfer	1

#### Licences 2003

Offering Services to the Public
Not Offering Services to the Public
Conditional
Revoked
New establishments
Changes of ownership
Closed

#### Funeral Establishments

568
3
2
-
7
15
4

#### Transfer Services

30
-
-
-
3
-
1

### *Proposals/Orders/Conditions*

Most licensees, after reviewing the proposals, accepted the conditions without issue. Only one of the proposals was appealed to the Licence Appeal Tribunal (LAT). The team continues to monitor the conditions placed on licensees.

#### Proposals and Orders

Conditional licence proposals
Refusals to issue licences

#### Funeral Director

7
-

#### Funeral Establishment

1
1

#### Transfer Service

-
-



## *Education & Professional Development*

The team met its goal to deliver a program for preceptors to "Train the Trainers". Offering such a program helps the Board to meet its commitment to assist licensees with the training and development of future funeral directors. We anticipate that interns will also benefit greatly from the program.

As a way to begin promoting Ontario programming outside of the province, the team invited members of the profession from a few neighbouring jurisdictions to attend Professional Development 2003 in Thunder Bay. While no licensees attended from outside of Ontario, the Board was pleased that the out-of-province regulators acknowledged that the programming was worthy of credit for their licensees.

PD 2003 in Toronto and Thunder Bay were well received and we have already incorporated changes to the programming for 2004 based on licensee recommendations. Based on the team's recommendation, in 2004 licensees will have nine choices of sessions to attend, which is one more than in previous years. The Preceptor Training Program will also be available for professional development credit. These are just a few ways the team has been working to meet the needs of licensees in the area of education.

In 2003, 86 interns registered for internships. The team has been actively working with the Internship Implementation Committee to continue to tailor the Preceptor Training Program to meet the needs of preceptors and interns. The team always considers the stakeholders' needs as it strives to ensure a positive experience for both interns and preceptors.

### *Exams attempted in 2003*

	Licensing Exams December 2002	Licensing Exams June 2003	Active/Inactive Exams	Re-instatement Exams	Out of Province
Intern candidates	12	73	-	-	-
Other candidates	2	-	3	4	1

### *Improving Information and Access to Services*

Not only did the Board meet its target of publishing three newsletters this year, it was also involved in the development of four notices for licensees dealing with SARS and best practices relating to health and safety.

As part of our continuing commitment to promote consumer awareness and communication to licensees, we have reviewed recommendations from licensees and consumers about our web site and will be implementing some of these recommendations as cost and time permit. The most significant addition will be the listings of funeral establishments and transfer services to the web site. Current newsletters, annual reports and bulletins will continue to be placed on the web site, along with some standard forms that will soon be added to the site.

### *Goals and Objectives 2004*

The following are some of the goals and objectives the licensing and administrative team has set for 2004:

- We will ensure that the profession is kept abreast of the regulatory development initiative through the web site, newsletter and special mailings when necessary.
- Wherever possible, we will continue to implement changes to the web site based on input from consumers and licensees.
- With the Licensing Committee we will investigate options for making the Preceptor Training Program a mandatory requirement for all preceptors.
- We will continue to promote Professional Development & the Preceptor Training Program to other jurisdictions.

*Susan Beck*

**Manager, Licensing and Administration**

## EDUCATION REVIEW COMMITTEE

Some very exciting changes were adopted and set in motion this year, as the Education Review Committee moved to implement some of the recommendations from the *Report on Funeral Service Education in the Province of Ontario*. Not the least of which was the introduction of the Professional Competence Officer, who is now in full swing. The Professional Competence Officer hired by the Board is assisting the Committee with the implementation of the various recommendations.

All the recommendations continue to be weighed against the Competency Profile released last year. It has been an invaluable tool in determining whether the recommendations are relevant to the needs of the profession and the consumer.

The Internship Implementation Committee, in conjunction with the Licensing Committee, presented the inaugural Preceptor Training Program in 2003, in Toronto. The program was also offered in the fall, in Thunder Bay. Both events were highly successful. The program teaches funeral directors how to teach interns and all those who participated agreed that the course would go a long way toward improving the internship experience for all involved.

The Preceptor Training Program was also the first new course to be approved by the Board for credit for professional development (outside of the current professional development format). The Professional Development Implementation Committee continues to move toward a credit based system. The Committee received a wonderful response to its call for expressions of interest to potential providers, such as colleges and organizations that specialize in adult training.

The Pre-Admission and Academic Implementation Committee reviewed a number of the recommendations put forward in the Report. After a comprehensive review of the pre-admission process, the Committee concluded that the pre-admission process was rigorous and universally applied. The Committee will continue to review the remaining recommendations from the Report.

When the Education Report was originally presented to the profession, I promised that this Report would not sit on a desk and that the recommendations would be effectively and energetically implemented. We have continued to work hard this year to be true to that promise and are gratified with the progress that has been made. We appreciate the interest and enthusiasm of the profession as we move these innovative methods forward. To obtain further details, contact the Board for a copy of the Implementation Report Card.

*Scott Doney*  
**Chair**



## COMMUNICATIONS & LONG RANGE PLANNING COMMITTEE

### *Mandate*

In 2003, the Committee expanded its mandate to include communications. Hence the addition of "Communications" to the title. The Committee was busy in 2003, meeting several times with an emphasis on communication, but eventually moving its focus to the Board's business plan for 2004.

As part of its revised mandate, the Committee now reviews Board publications. The Committee reviewed three newsletters and several notices to the profession.

Communication is not only important to the profession, but also most important to consumers. In 2003, the Committee approved the consumer outreach program which covered three specific areas.

**Radio:** Public advisories about the role of the Board, making final arrangements and information about pre-planning were aired on two radio stations in Ontario.

**Print media:** Public advisories were placed in selected magazines during the year.

**Consumer Brochure:** A focus group met to review a draft brochure.

### *Significant Achievements*

The Committee assisted in the development of the 2004 Business Plan, identifying future goals, targets and timelines for 2004. During 2003, the Committee reviewed the level of success the Board had in achieving its goals for 2003.

On behalf of the Committee, I would like to thank the staff of the Board of Funeral Services for its on-going support.

*Bruce T. Humphrey*

**Chair**

# Financial Outlook

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Harris & Wright audited the Board of Funeral Services and the Prepaid Funeral Services Compensation Fund. They reported that the financial statements present fairly, in all material respects, the financial position of the Board as at October 31, 2003. Complete financial statements are available from the Board of Funeral Services upon request.

## AUDITORS' REPORT


To the Directors of  
**Board of Funeral Services**

We have audited the balance sheet of the Board of Funeral Services as at October 31, 2003 and the statements of revenue and expense - operations & special initiatives, surplus, and cash flows for the year then ended. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluation of the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at October 31, 2003 and the results of its operations and cash flows for the year then ended in accordance with generally accepted accounting principles.

Toronto, Ontario    December 28, 2003



Chartered Accountants



**BOARD OF FUNERAL SERVICES**  
(Under the *Funeral Directors and Establishments Act*, 1989)

**BALANCE SHEET**  
**October 31, 2003**

		Comparative 2002
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and bank	\$ 134,879	\$ 31,315
Sundry receivables (Note 4)	17,611	34,917
Prepaid expense	17,356	39,965
	169,846	106,197
<b>Investments - at cost: (Note 3)</b>	2,081,182	2,205,747
<b>Capital assets - at cost: (Note 2a)</b>		
Office furniture and equipment	199,015	206,941
Leasehold alterations	21,353	21,353
	220,368	228,294
<b>Less - Accumulated depreciation</b>	124,740	120,047
	95,628	108,247
	<u>\$ 2,346,656</u>	<u>\$ 2,420,191</u>
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued liabilities	\$ 65,321	\$ 42,351
Deferred licence fee revenue (Note 2b)	198,685	200,950
	264,006	243,301
	2,082,650	2,176,890
<b>Surplus</b>	<u>\$ 2,346,656</u>	<u>\$ 2,420,191</u>

**BOARD OF FUNERAL SERVICES****STATEMENT OF REVENUE AND EXPENSE - OPERATIONS & SPECIAL INITIATIVES**

Year ended October 31, 2003

			<b>Comparative 2002</b>
<b>REVENUE</b>			
Funeral Directors' licence fees	\$	377,125	\$ 377,100
Funeral Establishments' licence fees		796,510	806,875
Transfer Service licence fees		17,720	14,615
		1,191,355	1,198,590
Duplicate certificates		270	310
Student registration fees		4,600	4,050
Student examination fees		13,550	16,000
Professional development		83,305	62,834
Investment revenue		103,530	104,926
Administration fees - Compensation Fund		3,000	5,000
Sale of Directories, Acts and Miscellaneous revenue		8,145	10,614
Reimbursement - Ministry of Consumer and Business Services		27,311	41,079
		1,435,066	1,443,403
<b>EXPENSE</b>			
Salaries, benefits and compensation	\$	702,665	\$ 594,855
Transportation and communication		264,848	256,793
Services		202,471	314,300
Supplies and equipment		225,943	218,453
		1,395,927	1,384,401
<b>EXCESS OF REVENUE OVER EXPENSE - OPERATIONS</b>		39,139	59,002
<b>SPECIAL INITIATIVES (NOTE 7)</b>		133,379	208,877
<b>EXCESS OF EXPENSE OVER REVENUE AFTER SPECIAL INITIATIVES</b>	\$	<u>(94,240)</u>	\$ <u>(149,875)</u>

**BOARD OF FUNERAL SERVICES****STATEMENT OF SURPLUS**

Year ended October 31, 2003

			<b>Comparative 2002</b>
<b>BALANCE, beginning of year</b>	\$	2,176,890	\$ 2,326,765
<b>EXCESS OF EXPENSE OVER REVENUE AFTER SPECIAL INITIATIVES</b>		(94,240)	(149,875)
<b>BALANCE, end of year</b>	\$	<u>2,082,650</u>	\$ <u>2,176,890</u>



# BOARD OF FUNERAL SERVICES

## STATEMENT OF CASH FLOWS

Year ended October 31, 2003

		Comparative 2002
<b>CASH PROVIDED FROM (USED IN) OPERATIONS</b>		
Excess of expense over revenue after special initiatives	\$ ( 94,240 )	\$ ( 149,875 )
Items not affecting working capital:		
Depreciation and amortization	24,750	23,537
Working capital from (used in) operations	( 69,490 )	( 126,338 )
Net change in non-cash working capital (see below)	60,620	2,405
<b>Cash provided from (used in) operations</b>	<b>( 8,870 )</b>	<b>( 123,933 )</b>
<b>CASH PROVIDED FROM (USED IN) INVESTING ACTIVITIES</b>		
Capital asset additions	( 12,131 )	( 25,749 )
Increase (decrease) in cash	( 21,001 )	( 149,682 )
Cash at beginning of year	2,237,062	2,386,744
<b>CASH AT END OF YEAR</b>	<b>\$ 2,216,061</b>	<b>\$ 2,237,062</b>
<b>Cash at end of year represented by:</b>		
Cash	\$ 134,879	\$ 31,315
Investments	2,081,182	2,205,747
	<b>\$ 2,216,061</b>	<b>\$ 2,237,062</b>
<b>NET CHANGE IN NON-CASH WORKING CAPITAL</b>		
Increase (decrease) in:		
Current assets:		
Sundry receivables	\$ ( 17,306 )	\$ ( 42,862 )
Prepaid expense	( 22,609 )	22,930
	( 39,915 )	( 19,932 )
Current liabilities:		
Accounts payable and accrued liabilities	22,970	( 18,512 )
Deferred licence fee revenue	( 2,265 )	985
	20,705	( 17,527 )
<b>NET INCREASE (DECREASE) IN NON-CASH WORKING CAPITAL</b>	<b>\$ ( 60,620 )</b>	<b>\$ ( 2,405 )</b>



## NOTES TO FINANCIAL STATEMENTS

Year ended October 31, 2003

### 1. MISSION

The mission of the Board of Funeral Services (the 'Board') is to regulate the provision of funeral services and transfer services in accordance with the *Funeral Directors and Establishments Act* (the 'Act') in order that the public interest may be served and protected.

#### Corporate Goals and Values:

- Protecting the interests of the consumers of Ontario by establishing, implementing, and maintaining high standards of practice, professional expertise and ethics in the provision of funeral services and transfer services in accordance with the Act;
- Supplying information to consumers about their rights;
- Developing, implementing and evaluating an ongoing plan to effectively accomplish the goals and objectives of the Board;
- Developing and implementing educational programs for funeral service and transfer service providers;
- Consulting with stakeholders in order to ensure their needs and interests are identified;
- Developing recommendations to the Government on legislation, regulation, policy and practices.

The Minister of Consumer and Business Services retains responsibility for Ontario's consumer protection legislation and regulation and oversees the quality of services provided by the Board.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### (a) Depreciation

Depreciation on furniture and equipment is provided on the straight-line basis using a 10% annual rate. Leasehold alterations are written off over the term of the lease.

#### (b) Deferred licence fee revenue:

Deferred licence fee revenue represents the prepaid portion of fees that pertain to the last two months of the calendar year.

### 3. INVESTMENTS - Market value \$2,104,635 (2002 - \$2,225,542)

**Comparative  
2002**

PRIN-CANADA - 2.985%, maturing October 1, 2003	-	204,039
TD Canadian Money Market	\$ 51,302	\$ 50,170
Canada Bond - 4.367%, maturing December 1, 2005	215,481	206,217
Canada Bond - 5.082%, maturing June 1, 2008	1,097,097	1,038,998
Canada Bond - 3.958%, maturing March 15, 2009	405,728	-
Province of Ontario - 4.407%, maturing December 2, 2006	210,949	201,350
Ontario Hydro - 2.490%, maturing October 15, 2004	100,625	-
Ontario Savings Bond CS02 2.75%, maturing June 21, 2009	-	504,973
	<u>\$ 2,081,182</u>	<u>\$ 2,205,747</u>

All investment transactions were made within the scope of the Board's by-laws.

### 4. SUNDRY RECEIVABLES

**Comparative  
2002**

Ministry of Consumer and Business Services - reimbursement	\$ 12,097	\$ 24,401
Compensation fund and miscellaneous revenue	5,514	10,516
	<u>\$ 17,611</u>	<u>\$ 34,917</u>



## 5. LEASE COMMITMENTS

Office space is leased under a long-term agreement expiring September 1, 2006. Autos, which are leased for the inspectors, have lease expiry dates of May 2004 and September 2004. Future minimum rental payments under the leases with expiry dates of one year or more consisted of the following at October 31, 2003:

2004	\$	30,984
2005		15,060
2006		13,805
	\$	<u>59,849</u>

6. The Compensation Fund Committee manages the affairs of the Prepaid Funeral Services Compensation Fund that was established under the *Funeral Directors and Establishments Act, 1989*.

## 7. SPECIAL INITIATIVES

Professional development - Thunder Bay	\$	3,568	\$	-
Labour Mobility Forum expense - Competency Profile		4,998		9,970
Public relations		84,282		104,406
Web site		7,507		8,449
Computer - consulting		12,220		38,906
Accreditation		2,074		3,991
Education Review		18,730		43,155
	\$	<u>133,379</u>	\$	<u>208,877</u>

The Excess of Expense of \$94,240 (2002: \$149,875) is a direct result of the Board's decision to draw on it's accumulated surplus for these planned budget initiatives.

8. Certain comparative figures have been adjusted to conform with current year presentation

**PREPAID FUNERAL SERVICES COMPENSATION FUND**(Under the *Funeral Directors and Establishments Act*, 1989)**BALANCE SHEET**

October 31, 2003

**Comparative  
2002****ASSETS****Current assets:**

## Cash:

Toronto Dominion Bank

\$ 27,456 \$ 24,552

TD Private Client Group

15,185 3,585

Interest receivable

8,151 3,961

50,792 32,098

Investments - at cost (Note 3)

1,713,008 1,686,208

\$ 1,763,800 \$ 1,718,306**LIABILITIES****Current liabilities:**

Accrued trust administration fee

\$ 1,435 \$ 4,998

Accrued administration costs

3,000 5,000

Accrued legal fee

424 4,288

Accrued audit fee

2,500 2,500

Sales tax and sundry

1,143 302

8,502 17,088

Surplus

1,755,298 1,701,218

\$ 1,763,800 \$ 1,718,306**STATEMENT OF REVENUE AND EXPENSE**

Year ended October 31, 2003

**Comparative  
2002****Revenue:**

Initial payments

\$ 2,700 \$ 3,600

Capital gains distributions

- 21,071

Interest and dividend income

78,546 82,578

81,246 107,249

**Expense:**

Administration costs

3,000 5,000

Bank charges

25 43

Prepaid funds compensated

9,410 63,458

Professional fees

3,340 7,203

Trust administration fees

11,391 10,552

Unrecovered settlement undertaking

- 4,800

27,166 91,056

Excess of revenue over expense

\$ 54,080 \$ 16,193





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